

Program A: Administrative/Fiscal

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2002-2003. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicators are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year of the budget document.

DEPARTMENT ID: 04H Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program A: Administration/Fiscal

1. (KEY) Through the Office of the Commissioner, to retain accreditation by the National Association of Insurance Commissioners (NAIC).

Strategic Link: This operational objective is linked to Strategic Objectives: I.1.1 - *Maintain aggressive approach to financial examination and analyses of domestic companies*; II.2 *Respond within three working days to requests for public information*; II.3 - *Work with other states and the NAIC to develop national standards for regulation that promote the sharing of information about insurers and producers among the states, minimize or eliminate duplication of work, and allow the states to retain control of regulation of the industry.*

Louisiana: Vision 2020 Link: Not Applicable
 Children's Cabinet Link: Not Applicable
 Other Link(s): Not Applicable

Explanatory Note: Accreditation by the National Association of Insurance Commissioners remains in effect until suspended or revoked. NAIC performs reviews of the department's regulatory activities, policies and procedures to determine whether continued accreditation is appropriate. Accreditation is evidence that the department is meeting the standards of the nationwide organization that exists to promote effective insurance regulation and protection to insurance consumers.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
K	Percentage of accreditation by the National Association of Insurance Commissioners retained	100%	100%	100%	100%	100%	100%

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GENERAL PERFORMANCE INFORMATION: DIVISION OF PUBLIC AFFAIRS					
PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01
Percentage of public information requests answered within three working days	Not Available	100	100	100	100
Number of calls involved in responding to media requests	2,860	2,628	1,924	3,503	1,226
Number of press releases prepared and issued	39	71	79	159	83
Number of consumer publications distributed	59,200	59,787	31,057	57,112	72,712

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2. (KEY) Through the Internal Audit Division, each fiscal year, to identify the adequacy of weakness of the department's internal control processes through scheduled internal audits and to assure that there are no repeat findings in the annual legislative auditor's report.

Strategic Link: This operational objective is related to the department's Strategic Objectives: II.1.1 - *Adequately staff the internal audit division to allow for performance of scheduled audits*; II.1.2 - *Risk assessment/audit schedule for the coming year has been prepared and approved by the agency head of his/her designee before the end of the current fiscal year*; II.1.3 - *Establish and adhere to time limits for each scheduled internal audit.*

Louisiana: Vision 2020 Link: Not Applicable

Children's Cabinet Link: Not Applicable

Other Link(s): Not Applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
S	Number of internal audits scheduled	Not Applicable ¹	8	Not Applicable ¹	12 ^{1,2}	5 ^{1,2}	5
S	Number of internal audits performed	8	7	12 ²	12 ²	5 ²	5
S	Percentage of internal audit recommendations adopted	100%	100%	100%	100%	100%	1
S	Number of repeat internal audit findings	0	0	0	0	0	0
K	Number of repeat findings in legislative auditor's report	0	0	0	0	0	0

¹ This is a new performance indicator. It did not appear under Act 11 of 2000 or Act 12 of 2001 and does not have performance standards for FY 2000-2001 and FY 2001-2002. The value shown for existing performance standard is an estimate of yearend performance not a performance standard.

² The department indicated in its FY 2001-2002 First Quarter Performance Progress Report that the audit schedule/risk analysis was re-done after the legislative auditor commented that the one in effect was inadequate. This, plus reorganization of areas in the department, and reduction of the internal audit staff from one supervisor and two auditors to one supervisor only, resulted in changes in the number of audits scheduled and number of audits to be performed in FY 2001-2002. The department contends that the existing standard of 12 is not realistic given the changes that have taken place. The decreased internal audit schedule is carried into FY 2002-2003 continuation level projections.

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3. (SUPPORTING) Through the Fiscal Affairs Division, to collect each fiscal year, revenue that DOI is responsible to collect on its own behalf and on behalf of the state.

Strategic Link: This operational objective is related to Strategic Objectives: II.2.1 - *Assessment invoices are mailed no later than thirty days prior to the due date of the assessment payment*; II.2.2 - *Revenue is receipted and batched within 24 hours*; II.2.3 - *The section within DOI responsible for revenue outstanding and delinquent is notified so that any available recourse for collection can be taken (suspension, revocation, additional fines or penalties, etc.)*.

Louisiana: Vision 2020 Link: Objective 18: To improve the efficiency and accountability of governmental agencies.

Children's Cabinet Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: None

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
S	Total fees collected (in \$ millions) ¹	\$9.8	\$10.2 ²	\$9.3 ³	\$9.3 ³	\$11.5	\$11.5
S	Percentage of revenue classified within 72 hours of its deposit to state treasury	Not Applicable ⁴	Not Available ⁴	Not Available ⁴	90% ⁴	90%	30%

¹ Fees are charged by the Department of Insurance for certain services, such as agent license renewals, forms review, photocopies, company licensing applications and filings. Property and casualty agent licenses will be renewed in FY 2002-2003, and that is a smaller number of renewals than for life and health, which renews in FY 2001-2002. The groups alternate renewal years.

² This difference is attributed to a one-time legal sanction (funds not previously projected) that resulted from a stipulation to a multistate investigation arranged by the Florida Insurance Department with American General Life & Accident Co. A procedure change in licensing resulted in more non-resident licenses being issued.

³ Although the FY 2001-2002 performance standard for this indicator is \$9.3 million, the department indicated in its FY 2001-2002 First Quarter Performance Progress Report that it currently anticipates the year end figure to be \$10.8 million.

⁴ This is a new performance indicator. It did not appear under Act 11 of 2000 or Act 12 of 2001 and has no performance standards for FY 2000-2001 and FY 2001-2002. The department indicates that no data are available for FY 2000-2001. The value shown for existing performance standard is an estimate of yearend performance not a performance standard. This indicator replaces an indicator (Percentage of revenue deposited within 48 hours of receipt) that is no longer reported by the department.

Additional information related to this activity may be found in the General Performance Information table that follows.

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GENERAL PERFORMANCE INFORMATION: REVENUE COLLECTION					
PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01
Number of different tax types collected	9	9	9	9	9
Number of different fees and assessments collected	40	40	38	38	38
Taxable premiums (in \$ billions)	\$8.252	\$8.879	\$8.966	\$9.040	\$9.436
Amount of premium taxes collected (in \$ millions)	\$152.98	\$139.80	\$111.60	\$112.90	\$106.85
Tax collections as percentage of taxable premiums	1.694%	1.257%	1.250%	1.248%	1.130%
Total premiums subject to Louisiana Insurance Rating Commission (LIRC) assessment (in \$ billions)	\$3.996	\$4.360	\$4.420	\$4.530	\$4.530
Total amount of LIRC assessment collected (in \$ millions)	\$37.6	\$38.8	\$40.8	\$42.3	\$42.1
LIRC assessment collection as a percentage of subject premiums	0.94%	0.93%	0.93%	0.93%	0.93%
Total fees collected (in \$ millions)	\$11.9	\$14.8	\$15.9	\$9.7	\$10.2
Total amount of revenues collected from taxes, assessments, fees, penalties and miscellaneous (in \$ millions)	\$189.8	\$165.2	\$168.8	\$168.9	\$161.9

¹ This indicator was formerly reported as "Total amount of revenues (taxes, assessments, fees and miscellaneous) collected (in millions). The indicator name has been changed by the department; no changes have been made in what the indicator measures or how that measurement is made.

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4. (SUPPORTING) Through the Information Technology Division, to achieve 100% completion of the department's integrated information system and initiate at least three information technology projects to increase consumer access to department services and information.

Strategic Link: This operational objective is elated to Strategic Objectives: II.3.1 *Increase the scope of information and services available through the DOI website* ; II.3.2 - *Make website information availability and use for complaint filing, licensing renewals and premium and surplus lines tax filings user-friendly.*

Louisiana: Vision 2020 Link: Not Applicable

Children's Cabinet Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: The IT Division expects to initiate or complete the following projects in Fiscal Year 2002-2003; Complete online help and application availability for person seeking to become licensed producers, or wishing to renew their licenses; initiate-online filing of consumer complaints; initiate on-line filing of insurance premium tax and surplus lines tax.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
S	Percentage completion of integrated information system	85%	67%	100% ¹	100% ¹	100%	100%
S	Percentage availability of integrated information system and major databases to users ²	20%	20%	70% ³	70% ³	90%	90%
S	Percentage of integrated information system maintenance performed by in-house staff	50%	48%	70% ⁴	70% ⁴	75%	75%
S	Percentage completion of on-line access to producer licensing renewal	Not Applicable ⁵	Not Applicable ⁵	Not Applicable ⁵	Not Applicable ⁵	50% ⁵	50%
S	Percentage completion of on-line access to consumer complaint filing	Not Applicable ⁵	Not Applicable ⁵	Not Applicable ⁵	Not Applicable ⁵	20% ⁵	20%
S	Percentage completion of on-line access to insurance premium and surplus lines tax filings	Not Applicable ⁵	Not Applicable ⁵	Not Applicable ⁵	Not Applicable ⁵	90% ⁵	90%

¹ Although the performance standard for FY 2000-2001 is 100%, the department indicated in its FY 2001-2002 First Quarter Performance Progress Report that it anticipates completion of 95% by yearend. Completion of the integrated information system should occur in FY 2002-2003.

- ² This indicator is a measure of the business hours the system is available (up and running) to users. The indicator was formerly reported as "Percentage availability of integrated information system to system users.
- ³ Although the performance standard for FY 2000-2001 is 70%, the department indicated in its FY 2001-2002 First Quarter Performance Progress Report that it anticipates a yearend completion rate of 65%.
- ⁴ Although the performance standard for FY 2000-2001 is 70%, the department indicated in its FY 2001-2002 First Quarter Performance Progress Report that it anticipates a yearend completion rate of 67%.
- ⁵ This is a new performance indicator related to a new information system project set to begin in FY 2002-2003. Therefore, there are no FY 2000-2001 year end standard and yearend actual and no performance standard for FY 2002-2003. The continuation level value is the department's best estimate of how much of the project will be completed during FY 2002-2003.

Additional information related to this activity may be found in the General Performance Information table that follows.

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GENERAL PERFORMANCE INFORMATION: INFORMATION SYSTEM SERVICE					
	PERFORMANCE INDICATOR VALUES				
PERFORMANCE INDICATOR NAME	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01
Number of service request forms received	Not available	Not available	1,858	2,877	2,880
Number of service requests fulfilled	Not available	Not available	Not available	2,863	2,867
Number of service requests satisfactorily fulfilled within 2 business days	Not available	Not available	1,412	2,598	2,650
Percentage of service requests satisfactorily fulfilled within 2 business days	Not available	Not available	76% ¹	90% ¹	92% ¹

¹ This performance indicator was previously reported as a supporting indicator. It was moved by the department to General Performance Information for FY 2002-2003. The values shown were calculated by dividing the number of requests satisfactorily fulfilled within 2 business days by the number of request forms received.

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5. (SUPPORTING) Through the Office of Minority Affairs, to assist minorities and disadvantaged persons who wish to participate in the insurance industry as producers or as employees of insurers or related service companies.

Strategic Link: This operational objective is related to Strategic Links: 1.2.1 *Make available information about educational, training and other resources to all minorities in the state wishing employment in the insurance industry as producers or employees of insurers or related service companies*; 1.2.2 *Provide educational/training sessions to minority persons seeking employment in the insurance industry as producers, employees of insurers or related service companies*; 1.2.3 *Via annual survey, develop a database of numbers of minorities in management and professional positions with insurers doing business in the state.*

Louisiana: Vision 2020 Link: Not Applicable

Children's Cabinet Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: The Office of Minority Affairs is expanding its reach beyond the key agency concept, which has been its focus for several years. The key agency concept is a program wherein minority producers pool their resources and amounts of premiums written in order to obtain appointments/contacts with standard insurers, minimize their individual costs of doing business, and allow less experienced producers to learn from more experienced producers. The department will continue the key agency concept, but will focus on semi-annual training seminars to assist minorities who wish to obtain jobs in all areas of the insurance industry and tracking the number of minorities employed as managers or professionals in the industry in the state. The number of seminars per year might be increased, depending upon response. Questionnaires completed by seminar participants will help the department to determine the areas in which minorities believe they need assistance and the areas in which they believe they are making progress within the industry.

An indicator will be added in FY 2003-2004 to measure the number of minorities employed in the insurance industry in the state; the indicator will depend upon collection of data via an annual survey, the first of which should occur in FY 2002-2003 and the results of which will have been recorded by FY 2003-2004. The department is evaluating ways of helping minorities who wish to obtain jobs in the industry, or better jobs in the industry, those wishing to become producers, and producers who desire to increase their skills and knowledge. Additional indicators may be added as we determine which project(s) to undertake.

Explanatory Note: A standard insurer is an insurer that rates a risk up or down from standard rates and uses standard terms and conditions in its policies. A producer must meet certain criteria in order to sell policies of a standard company to his/her clients. Minority producers have traditionally had trouble meeting some of the criteria for appointment/contract with standard insurers, particularly the size of their "book of business" - the dollar amount of premiums from all of the policies they sell. An appointment or contract is what allows a producer to sell an insurance product to his/her clients. Key Agency Concept is a plan whereby minority producers who join with Key Agency, Inc., pool their resources and expertise to increase their "book of business" and thereby qualify for appointment/contract with one or more standard insurers.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
S	Number of directors and subagents working within ¹ the Key Agency concept	25	24	22 ²	22 ²	28	28
S	Number of standard insurers to which Key Agency, Inc. has access	5	3	6	6	6	6
S	Number of persons attending semi-annual training ³ seminars	Not Applicable ³	Not Applicable ¹	Not Applicable ¹	50 ^{1,3}	50 ¹	50

¹ This indicator was reported in FY 2001-2002 as "Number of key agency directors and sub-agents working with Key Independent Agency, Inc." Prior to FY 2001-2002, the indicator was reported as "Number of new key agency directors and sub-agents working with Key Independent Agency, Inc." The department again has changed the name of the indicator but indicates that no changes have been made in what the indicator measures or how that measurement is made.

² Although the performance standard for FY 2001-2002 is 22, the department indicated in its FY 2001-2002 First Quarter Performance Progress Report that it anticipates the yearend figure will be 28.

³ This is a new performance indicator. It did not appear under Act 11 of 2000 or Act 12 of 2001 and has no performance standards for FY 2000-2001 or FY 2001-2002. In prior fiscal years, the department offered training sessions primarily for participants in the key agency concept. Although the department has a FY 2001-2002 performance standard of 60 for "Number of educational/training sessions provided for small/disadvantaged/minority insurance agents and agencies, the department indicated in its FY 2001-2002 First Quarter Performance Progress Report that it anticipates the yearend figure will be 2--the semi-annual comprehensive training seminars. These comprehensive seminars will provide information and assistance to all minorities seeking employment in the industry, not only those wishing to become producers, and will assist producers with information on agency management, preparation of proposals to present to clients, client-solicitation and screening techniques, as well as information on what criteria various companies have in place for company appointment/contract.